

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
FINANCIAL ASSISTANCE DIVISION**

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**CDBG  
Community Development Block Grant Program****MANAGEMENT MEMORANDUM  
Memorandum Number 08-08****TO: Eligible Jurisdictions and Interested Parties****DATE: October 20, 2008****SUBJECT: Release of Updated CDBG Economic Development Business Loan Checklist****Revised CDBG Economic Development Business Loan Checklist:**

The Department has revised the Business Loan Checklist released in 2007. The updated Checklist is attached. The information on the new form is very similar. The new Checklist has been reformatted to make it easier to read and fill out. The Department still requires that **ALL** CDBG business assistance loans be submitted for review and approval. Department review and approval can happen prior to submittal to local jurisdiction's loan committee.

The Part Two threshold loan amount, which requires submittal of back up underwriting documentation, has been increased from \$50,000 to \$70,000. Thus, all loan requests of less than \$70,000 only need to submit Part One of the Checklist, with proper back up documentation, for Department review and written approval. Requests for loans of \$70,000 and above need to be submitted to the Department with Part One and Two completed, including proper back up documentation. Requests for loans of \$250,000 and above still need to be formally submitted to the Department's Economic Development Advisory Committee (EDAC) for review and approval prior to award of funds.

The loan underwriting guidance from last year was on a separate document. The loan underwriting guidance this year is incorporated at the end of the Checklist as Notes and Instructions. The instructions have been reformatted to make it easier to read and use with the Checklist.

All business assistance loans, whether funded through an open grant or through program income, must be sent to the Department for review and approval. **Funding the loan at the local level prior to (or without) submitting the loan for Department approval significantly jeopardizes the ability of the Department to allow loan funding.**

Department staff will review the checklist with local jurisdictions and business assistance program operators at the upcoming Enterprise Fund Application trainings held throughout the State. Contact your CDBG Economic Development area representative for questions about the Checklist or the loan approval process.